

HOUSE BILL No. 1610

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-3-6.3; IC 36-8-10-12.5.

Synopsis: Sheriff's pension and prior fund contributions. Authorizes an employee beneficiary of a sheriff's retirement plan (plan) to use certain amounts from a prior public retirement fund: (1) to purchase service credit in the plan; or (2) to receive the amounts as a lump sum payment.

Effective: July 1, 2009.

Soliday, Lawson L

January 16, 2009, read first time and referred to Committee on Labor and Employment.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1610

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10.2-3-6.3 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2009]: **Sec. 6.3. (a) Notwithstanding any**
4 **other provision in this article, IC 5-10.3, or IC 5-10.4, a member**
5 **who:**

6 (1) **has not attained vested status in the fund;**

7 (2) **is not an active participant in the fund; and**

8 (3) **is an active participant in a retirement plan established**
9 **under IC 36-8-10-12;**

10 **may suspend membership in the fund and transfer or withdraw the**
11 **entire amount in the member's annuity savings account in**
12 **accordance with the member's election under IC 36-8-10-12.5.**

13 (b) **A member who elects under IC 36-8-10-12.5 to transfer or**
14 **withdraw the entire amount in the member's annuity savings**
15 **account shall provide notice of the transfer or withdrawal on a**
16 **form provided by the board.**

17 (c) **A transfer or withdrawal made to comply with an election**



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under IC 36-8-10-12.5 is irrevocable.

(d) A member who elects under IC 36-8-10-12.5 to withdraw the entire amount in the member's annuity savings account shall receive the amount as a lump sum payment.

(e) A member who makes a transfer or withdrawal under this section waives all credit for service in the fund.

SECTION 2. IC 36-8-10-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 12.5. (a) This section applies after June 30, 2009, to active employee beneficiaries in a retirement plan established under this chapter.**

(b) As used in this section, "public retirement fund" refers to any of the following, either singly or collectively:

- (1) The public employees' retirement fund (IC 5-10.3).
- (2) The Indiana state teachers' retirement fund (IC 5-10.4).
- (3) The state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement fund (IC 5-10-5.5).
- (4) The state police pension trust (IC 10-12).
- (5) The 1977 police officers' and firefighters' pension and disability fund (IC 36-8-8).
- (6) A retirement plan established under this chapter by a department other than the department that employs the employee beneficiary who desires to purchase service credit under this section.

(c) Subject to subsection (j), if an employee beneficiary:

- (1) has not attained vested status in; and
- (2) is not an active participant in;

a public retirement fund other than the retirement plan established under this chapter by the department that employs the employee beneficiary, the employee beneficiary may make an election described in subsection (d) for the amount in the public retirement fund that is attributable to contributions made by or on behalf of the employee beneficiary (plus credited earnings).

(d) An employee beneficiary described in subsection (c) may elect to:

- (1) transfer the amount described in subsection (c) to a retirement plan established under this chapter by the department that employs the employee beneficiary; or
- (2) receive the amount described in subsection (c) as a lump sum payment.

(e) An election under subsection (d) is irrevocable.

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(f) If an employee beneficiary makes an election under subsection (d)(1), the employee beneficiary is entitled to receive service credit for the transferred amount equal to the service credit that would be purchased by a contribution of the same amount computed at the actuarial present value for an individual whose salary or wages and age would be the same as the salary or wages and age of the employee beneficiary on the transfer date.

(g) Before a transfer is made under this section, the employee beneficiary must complete any forms required by:

(1) the public retirement fund from which the employee beneficiary is requesting a transfer; or

(2) the retirement plan established under this chapter to which the transfer is being made.

(h) An employee beneficiary who makes an election under subsection (d)(1) must have at least twenty (20) years of credited service in a retirement plan established under this chapter by the department that employs the employee beneficiary before the employee beneficiary may receive a benefit based on the amount transferred under this section.

(i) An employee beneficiary who:

(1) makes an election under subsection (d)(1); and

(2) either:

(A) terminates employment before satisfying the eligibility requirements necessary to receive a monthly pension; or

(B) receives a retirement benefit based on the same service from another tax supported governmental retirement plan other than under the federal Social Security Act;

may withdraw the transferred amount, plus accumulated interest, from the retirement plan established under this chapter by the department that employs the employee beneficiary after submitting to the retirement plan established under this chapter a properly completed application for a refund.

(j) The department may deny an application to transfer an amount under this section if the transfer would exceed the limitations under Section 415 of the Internal Revenue Code.

(k) If an employee beneficiary makes an election under subsection (d), the employee beneficiary waives all credit for the employee beneficiary's service in the public retirement fund from which the amount is transferred or paid.

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